

1964

Copy 3

25X1

MEMORANDUM FOR: Dr. Brockway McMillan
Director, National Reconnaissance Office

SUBJECT : Contingency Planning for Project OXCART

1. I am informed that the Director, Program D, is moving ahead to formulate plans calling for the delivery of the first Air Force OXCART version to Edwards Air Force Base, California, where it and successive prototypes are planned for initial flight testing. Were this course of action to be continued without suitable contingency planning, we would find ourselves in the late spring of 1964 with no suitable alternative to what amounts to de facto surfacing, when the first Air Force aircraft shows up at Edwards.

2. Accordingly, I request that you instruct the Director, Program D, to consult and confer with the Director, Program B, toward developing in the next few weeks a contingency plan which would permit the first prototype of the Air Force version of OXCART to be accommodated [] where OXCART flight testing is currently in process. I understand that meaningful preliminary flight testing of the USAF aircraft can be conducted [] during the period from roughly 1 August through 31 December 1964. This time interval may be critical when viewed against the prospective operational readiness date of OXCART, now estimated for mid-summer of 1964.

3. I have directed Colonel Ledford, as Director of OSA, to ensure that appropriate facilities of the Agency are made available for the development of this plan, and to keep the Director periodically informed.

NRO review(s) completed.

Marshall S. Carter
Lieutenant General, USA
Deputy Director

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DAD/OSA/JACunningham:mem

Rewritten: DDCI:MSC:bac (3 January 64)

Retyped for minor change at request of DD/S&T: O/DDCI:blp (13 Jan)

Distribution:

Copies 1 and 2 - Dr. McMillan

Copy 3 - DDCI

Copy 4 - ER via ExDir

Copy 5 - O/DCI (Elder)

Copy 6 - DD/S&T

Copy 7 - AD/OSA

Copy 8 - AD/OSA

(Concurred in as redrafted by DDCI on 8 January by Colonel Ledford for OSA and Mr. Blake for DD/S&T; also routed through ExDir.)

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Approved For Release 2004/07/08 : CIA-RDP80B01676R001400010013-4

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TOP SECRET

27 DEC 1963

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Copy 2

MEMORANDUM FOR: Acting Director of Central Intelligence

SUBJECT: OXCART Surfacing as it Relates to On-coming R-12 Delivery

1. This memorandum suggests action on the part of the ADCI; this action is contained in paragraph 5.

2. At the recent R-12 mockup conference in Los Angeles, attended by some 116 Air Force Officers and contractor representatives, Col. Leo P. Geary, USAF, AFIGO-S, in his introductory remarks to the group noted that the Air Force was actively planning to flight test the first R-12 aircraft at Edwards Air Force Base beginning in late July or early August 1964. He was quoted as saying that the Air Force did not intend to participate in any form of contingency planning, or looking toward the initial flight testing of these prototype R-12 aircraft at any place except at Edwards AFB.

25X1 3. When I challenged Col. Geary on his alleged statement, he said that Air Force planning for the R-12 at Edwards was moving at full speed, and would continue to do so unless the Director of Central Intelligence, whom he agreed was responsible for the over-all security of the OXCART Program, requested that a plan be developed to accommodate the initial R-12s in the interests of the security of the clandestine reconnaissance mission.

25X1 4. The fact is that while we have discussed informally with Col. Geary, and through him with DNRO, the possibility of moving the first three or four R-12s to purchase additional secure time until approximately 1 January 1965, no formal action has been initiated in the Director's name. Kelly Johnson tells me that from his standpoint at Lockheed there is no problem in doing this and that he can conduct meaningful flight testing on the R-12 in this interval. We do need time to plan for hangar, shop, and living quarters for the additional people who would be sent if this course of action is adopted.

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5. To the best of my recollection we have been working, in one way or another, in surfacing OXCART for almost three years. The latest White House action postponing additional consideration of this subject until mid-February, is but one in a series of such decisions which have had the net effect of permitting us to continue in a secure fashion but without really solving the basic issue of whether the cork should come out of the bottle. I am worried lest we be placing too much reliance upon the inevitability of surfacing prior to July 1964, and I think we should, at a minimum, request the Air Force to work with us on a contingency plan such as that to which I have alluded. I think that such a request can possibly be made within the framework of the NRO relationship and, if you agree, I would ask that you sign the attached memorandum to Dr. McMillan.

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JAMES A. CUNNINGHAM, JR.
Acting Assistant Director
(Special Activities)

cc: DD/S&T

TOP SECRET

13-4	Index Registry
64-296	

14 January 1964

14K

MEMORANDUM FOR: Deputy Director (Plans)

1. Confirming oral instructions, the DCI desires a thorough study of the extent of Cuban involvement (to include Cuban-trained Panamanians) as well as recognized Communist involvement in the difficulties in Panama. There have been conflicting reports along the line that there was no such involvement coupled with reports listing known Communists by name, indicating that they were inciting the crowds. Several reports indicate that [] had been phoning Cuba daily. Some reports indicate that the National Guard had picked up Communist agitators and others that they had not; some reports that such agitators had been released and other reports that students had been released but not agitators.

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2. Please pull together the most factual reports you can on exactly what the situation was in this regard.

SIGNED

Marshall S. Carter
Lieutenant General, USA
Deputy Director

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1 - DD/I
✓ 1 - DDCI
1 - Executive Director
1 - EA/DCI
1 - ER

64-255 A.O.

13 January 1964

MEMORANDUM FOR THE DIRECTOR

1. I note in the minutes of the Morning Meeting of 9 January that the President may have a large dinner with key Congressional leaders and their wives, and that following the dinner the men will go downstairs for these briefings:

DCI -- Ten-minute briefing on Soviet economy;

Secretary of Defense will brief on Soviet military matters;

Secretary Rusk will brief on the world situation.

2. I would urge you to insist that you cover the total water front on intelligence matters. You are the Director of Central Intelligence and are responsible for the final analysis on all three of the foregoing subjects. If you allow the precedent to be established that McNamara will brief on foreign military matters and Rusk on foreign "political matters," you run the risk of having the Agency eventually relegated to economic intelligence only.

3. It is entirely appropriate for McNamara to brief on U. S. military matters and also entirely appropriate for Secretary Rusk to brief on U. S. political matters and political positions around the world but if there is to be an intelligence briefing, regardless of subject, I feel that you, and you alone, should do it.



Marshall S. Carter
Lieutenant General, USA
Deputy Director

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CENTRAL INTELLIGENCE AGENCY
OFFICIAL ROUTING SLIP

TO	NAME AND ADDRESS	DATE	INITIALS
1	DCI	<i>Noted by DCI.</i>	
2		<i>1/15</i>	
3	DDCI		
4			
5			
6			

ACTION	DIRECT REPLY	PREPARE REPLY
APPROVAL	DISPATCH	RECOMMENDATION
COMMENT	FILE	RETURN
CONCURRENCE	INFORMATION	SIGNATURE

Remarks:

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EYES ONLY

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DDCI	13 Jan 64

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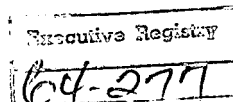
FORM NO.
2-61

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Use previous editions

U.S. GOVERNMENT PRINTING OFFICE : 1961 O-587282

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13 January 1964

MEMORANDUM FOR THE RECORD

1. On 6 January Mr. William Sullivan of the FBI called me regarding my statement at the USIB meeting on 3 January to the effect that the intelligence community does not have a smooth way of handling a defector. Mr. Sullivan stated that the way the community goes about handling things of this nature is "pretty sloppy," and suggested that I get something into motion that would result in setting up the proper mechanics.

2. I told Mr. Sullivan that we are trying to do this, but exactly what the procedure will be, I did not know. I said that it should probably remain in USIB since so many people are involved, but that some agency should have primary responsibility -- probably the FBI. I stated that this whole problem should be given to the USIB Defector Committee to see if they can come up with a better system. Mr. Sullivan referred to the recent case of the Russian student and said that it was sloppily handled for the simple reason that the mechanics have not been worked out.

3. In closing, I stated that I thought CIA and the FBI have the primary concern for such matters; that naturally INS and the Department of State must get into them, but if it's an intelligence problem, the Agency and the Bureau have the primary concern. Mr. Sullivan and I agreed to keep in touch on this problem.

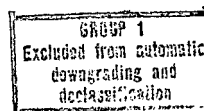
Marshall S. Carter
Lieutenant General, USA
Deputy Director

MSC:blp

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- 1 - DD/P
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<p align="center">CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP</p>					
TO	NAME AND ADDRESS		DATE	INITIALS	
1	Deputy Director (Plans)		14/1/64	<div style="border: 1px solid black; width: 50px; height: 50px; margin: 0 auto;"></div>	
2	Mr. Knoche				
3					
4				STAT	
5					
6					
ACTION		DIRECT REPLY		PREPARE REPLY	
APPROVAL		DISPATCH		RECOMMENDATION	
COMMENT		FILE		RETURN	
CONCURRENCE		INFORMATION		SIGNATURE	

Remarks:

Dick:

The attached relates to the matter of the Russian student at Harvard. DDCI requests your advice as to what, if any, follow-up to this is advisable.

STAT

1 to 2:

The problem of refining procedures for handling defectors in the United States has already been raised by Mr. Mason at a meeting of the Inter-

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FROM: NAME, ADDRESS AND PHONE NO		DATE
EA/DDCI	7D6011	1/14/64

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64-277

13 January 1964

10:49:28 PM

4-0198

MEMORANDUM FOR THE RECORD

1. On 6 January Mr. William Sullivan of the FBI called me regarding my statement at the USIB meeting on 3 January to the effect that the intelligence community does not have a smooth way of handling a defector. Mr. Sullivan stated that the way the community goes about handling things of this nature is "pretty sloppy," and suggested that I get something into motion that would result in setting up the proper mechanics.

2. I told Mr. Sullivan that we are trying to do this, but exactly what the procedure will be, I did not know. I said that it should probably remain in USIB since so many people are involved, but that some agency should have primary responsibility -- probably the FBI. I stated that this whole problem should be given to the USIB Defector Committee to see if they can come up with a better system. Mr. Sullivan referred to the recent case of the Russian student and said that it was sloppily handled for the simple reason that the mechanics have not been worked out.

3. In closing, I stated that I thought CIA and the FBI have the primary concern for such matters; that naturally INS and the Department of State must get into them, but if it's an intelligence problem, the Agency and the Bureau have the primary concern. Mr. Sullivan and I agreed to keep in touch on this problem.

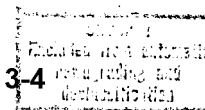
/s/ MSC

Marshall S. Carter
Lieutenant General, USA
Deputy Director

Distribution:

Original - DDCI
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1 - ER

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7 January 1964

MEMORANDUM FOR: Executive Director

1. The attached memorandum for the Deputy Director for Plans from the Chief, Technical Services Division, was passed on by me by my comment on the routing and record sheet.

2. It now appears that I misinterpreted the intent of paragraph 4 of the basic memorandum. Either that or paragraph 4 is being misinterpreted by TSD.

3. The Scientific Advisory Board to the Director of Central Intelligence, as headed by Dr. Augustus Kinzel, has been and will continue to be made privy and witting of all technical and scientific activities, both research and development, conducted in any and all components of the Agency. This does not in any way imply that that Board has direct operational responsibility nor need necessarily to know of specific operations, especially in the Clandestine Services.

4. The scientific panels established by the Scientific Advisory Board are designed specifically to provide the best scientific capabilities in the peculiar fields for which the panel is established and, equally as important, to provide the security compartmentation required to limit the panel's "priviness and wittingness" to that particular limited field for which the panel was established. This, then, means that the panel will be informed in specific detail of scientific and technical requirements, development and research, in its own limited field but will not, repeat not, have access to other fields purely because it is a panel of the main board. Likewise, as with the Scientific Advisory Board, I see no need for involving the panels in the details of specific operations.

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5. Accordingly, to take a specific case in point, the Covert Instrumentation Panel of the Scientific Advisory Board will be briefed on the totality of those TSD and other Agency programs involved in or having a direct bearing on covert instrumentation. They should not be briefed on any programs not related to covert instrumentation, such as OXCART, CORONA, human behavior, hypnotism, documentation, use of drugs, etc.

6. It was in the foregoing light that I approved the paper under the impression that the first sentence of paragraph 4 transferred to DD/S&T the responsibility for any and all panels (such as the deFlorez Board) which had previously been sponsored by TSD. I also assumed that the last sentence addressed itself in the main to avoiding the totality briefing of a panel assembled for a specific, limited problem. While I see no objection to TSD or any other component of the Agency utilizing any of our numerous consultants as individuals on specific problems, such utilization will not relieve the component of the responsibility for keeping specific panels fully informed of activities in their specific field.

7. If there is any problem in the foregoing that is not explicitly clear, please take it up with me next week. I have already spoken along these general lines to Colonel Giller of DD/S&T but have not had the opportunity to talk to or Mr. Helms.

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Marshall S. Carter
Lieutenant General, USA
Deputy Director

MSC:blp

P. S. Dr. Kinzel concurs.

Distribution:

Original - Addressee

1 - DCI

1 - DDCI

1 - ER

[REDACTED]
O/DCI

CONFIDENTIAL

25X1

[REDACTED]
4 Jan 64

WHITE HOUSE SIGNAL CENTER

PLEASE RELAY THE FOLLOWING MESSAGE TO THE LEJ RANCH:

FOR SALINGER FROM CARTER

PLEASE DELIVER TO JOHN MC CONE UPON HIS ARRIVAL AT RANCH
ABOUT TWO P.M. TODAY:

U.S. INTELLIGENCE BOARD, AT ITS MEETING 3 JAN, AGREED
WITHOUT MAJOR DISSENT AND ONLY SEVERAL FOOTNOTES, TO EXTEND
BEST WISHES FOR A HAPPY BIRTHDAY TO JOHN MC CONE ON 4 JAN.
ALL DCI'S "CHILLUN" AT CENTRAL INTELLIGENCE AGENCY, BOTH
HOME AND ABROAD, JOIN IN THIS WISH. UNABLE TO FIND ANYONE IN
WHITE HOUSE SIGNAL CENTER TO SING HAPPY BIRTHDAY TO YOU A LA
WESTERN UNION. MAYBE PIERRE CAN TAKE THIS ON. WITH RENEWED
ASSURANCES OF OUR HIGH CONSIDERATION, WE ARE SIR, YOUR MOST
HUMBLE AND OBEDIENT SERVANTS."

END OF MESSAGE

25X1

[REDACTED]
CONFIDENTIAL

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting with President Johnson on 31 December 1963

4 January 1964

1. The background as to the purpose of this visit is covered in my Memorandum for the Record dated 1 January on my visit to Independence to see Mr. Truman.

2. We departed Kansas City airport in the early afternoon of 31 December, arriving at the Johnson City airport shortly before 3:00. This airport was built by President Johnson in his own back yard and was subsequently turned over to Johnson City as their airport. We were taken to the Johnson residence and made comfortable in the combination office-sitting room just off the dining room. Coffee was served and in a few moments the President and Mrs. Johnson joined us. After appropriate welcoming to the ranch, Mrs. Johnson retired to her household chores.

3. Mr. Murphy briefed the President on our discussions with Mr. Truman and reported to the President Mr. Truman's desire to help in any way he could during the coming year. Mr. Murphy followed generally the comments indicated in my previous memorandum as put forward by Mr. Truman. I thought he gave a much too favorable report on Mr. Truman's condition and mental agility. This was understandable to me since Murphy is one of the junior old cronies of Mr. Truman. The President asked me for my reaction and I gave it substantially in accordance with the last paragraph of my Truman memorandum. I told the President that I certainly felt Mr. Truman was willing to do anything he could or was asked to do to assist President Johnson; that my own reaction was that Mr. Truman was in some respects senile and living 90% on memories and his past. I stated that I thought there was certainly nothing wrong with Mr. Truman's mind or alertness but that I felt some caution should be exercised in just how Mr. Truman's assets might be utilized. The President made no comment except to note

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wryly that he himself occasionally had problems with his memory but that he did not think he was yet living with it entirely. The President then noted that we should have been briefing Mr. Truman more often and that perhaps had we done so, it would have prevented the type of article he had recently published about the CIA. The President then stated that he wanted President Hoover, President Eisenhower, and President Truman briefed monthly on the international situation as well as on the domestic situation and what his programs were. (Action: This requires follow-up with the White House and possibly a discussion between Mr. McCone and the President since Mr. McCone indicated informally that he thought once a month was too often and that, in any event, while CIA can handle the international situation, we should have some other agency handle the domestic situation.)

4. The President then made a number of statements which seemed to be in part his philosophy of operations and in others a repetition of his conversation with Erhard. It was difficult to separate when he was repeating what he had said to Erhard and when he was stating a Johnson principle.

5. The President stated that he was much taken with Erhard and that he thought him a smart, articulate German who was much more appealing than Adenauer. Erhard apparently attempted to feel the President out as to his reactions to various statements and positions taken by deGaulle. The President got the impression that Erhard was initially trying to play off deGaulle against the President. Mr. Johnson told Erhard that as far as he, Mr. Johnson, was concerned, he was going to do everything possible to promote a peaceful world but without in any way relaxing either our guard or our military strength; he was prepared to walk around the world if necessary to promote peace when he was convinced that such walking would assist -- on the other hand, he had no intention of making trips just to cultivate friends and promote the giving away of U. S. resources in an effort to entice people to join our camp; if they wanted to come in willingly with their eyes open, he would welcome them but he felt it was time for other nations to do some thinking on their own and to make their

- 3 -

own judgments without the need for U. S. persuasion in the form of concrete financial and military aid. Accordingly, the President intended to stay home and do his own heavy thinking as to just how he can best promote peace -- if this led to trips, then he would take trips. If people wanted to come to see him to talk about peace or other matters, he would be delighted to receive them but there must be something worthwhile to talk about and something that will lead in the proper direction. He said that during his lifetime the United States had been forced to fight two wars because of Germany and that he was not going to allow any situation to develop which might lead in that direction again so long as he was President. He said he would not be a party to any shilly-shallying in that direction and that Germany must make up its own mind and see which way they intend to go. If it were going to be toward deGaulle, then say so. If it were going to be toward the United States and its concept of a free world, then say so and prove it by putting more effort into their actions in this regard -- more effort in the way of more money and more support of United States policies. He told Erhard that this was the way he felt and there was no point in Erhard trying to play off deGaulle against President Johnson nor to try to get Germany in the middle between those two nations. The President said that Erhard apparently accepted this frank talk and for the rest of the visit never once mentioned deGaulle.

6. The President then directed that Salinger acquire from USIA and CIA a roundup of world reaction as to Erhard's visit. He said that if we did not make any money on that deal, we might just as well fold up our tent insofar as influencing foreign visitors was concerned because he, the President, had really put out and had really talked turkey to Erhard -- which was the only way he, the President, knew how to talk. He said that this administration was being criticized for either having no foreign policy or a poor one and that he therefore wanted as much publicity as possible on the highly favorable aspects of the Erhard visit. (I subsequently had a CIA report prepared and forwarded to Salinger on 1 January, pointing out that it was an initial report and that a real reading on Ambassadorial and Governmental reactions would be coming along

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7. The President then went on to say that people seem to have the impression he was going to sit back and try to keep things on an even keel so as not to disturb the upcoming election. He said that this was a wrong impression for people to have and that he intended to do everything he possibly could to ensure maintaining and augmenting the great forward momentum that President Kennedy had been developing toward world peace and proper domestic policies. He said that this was a time for real action and that the United States must get itself out of this trend of thought that it sits back and reacts to others' actions rather than creates actions of its own. He is tired of reacting -- he wants to act and let others react to him and this is one of the things he intends to think about during upcoming months. He therefore urges the most imaginative thinking possible both in and out of Government to see how best his ends can be attained. He pointed out that this was not going to be easy because this was an election year and lots of people would be looking for ways to attack him and his policies. He said, however, that he could not sit by and watch this opportunity for promoting peace and understanding among nations to dissipate simply because it was an election year in which he would be politically involved.

8. The President then said that he had been totally dissatisfied with what the State Department had proposed he send to Khrushchev and he had therefore sat down at the desk (pointing) and had in his own handwriting composed the New Year's message to Khrushchev. He intended to continue to promote every possibility for a basis of understanding looking toward peace and again reiterated that any agreement would never be at the expense of our own security.

9. He then asked me for a briefing of any current situations that he should be brought up to date on. I brought him up to date on Cyprus, on Cuba, and on South Vietnam since he had indicated that he had read recent Checklists.

- 5 -

10. As to Cuba, he stated his dissatisfaction with our present policies and actions connected therewith and said that shortly after his return to Washington, and probably after the State of the Union message, he wanted a comprehensive review of the Cuban situation and our policies and he wanted the most imaginative and forward thinking people put to work on seeing what else could be done. He did not feel the sabotage efforts would ever really result in any ultimate goals for U. S. interests but was prepared to accept some of them if they promote internal dissidents and assisted the morale of the people we were working with in Cuba. He stated he was not at all satisfied with the Governmental actions taken thus far to curtail free world trade with Cuba. He said he had told Erhard that he could not tolerate West German trade with Cuba and that Erhard had assured him that while it was very small, he would put a complete stop to it as soon as he returned to Germany. The President directed that thorough preparation be made so that when Pearson visits the United States, Mr. Johnson can take him on in the same manner and similar preparations should be made for other free world countries doing appreciable business with Castro.

11. There was then a discussion with Staats and Murphy about some sort of pork barrel program which was to be canceled and which Hubert Humphrey and Elvis Stahr had taken violent exception to. Apparently the President had received a vitriolic letter from Elvis Stahr about this matter because he commented that he now understood why Stahr had made such an inadequate Secretary of the Army. The lines of action directed by the President as to preparation of responses was not a matter for CIA.

12. There was then a discussion as to some sort of adjustment in tax procedures which, by reducing a figure from 15 to 14, would save some \$800 million this year. Neither Mike Forrestal nor I heard this loud and clear but I think it had to do with adjusting withholding tax deductions. In any event, no decision was reached by the President and the conversation was directly with Staats and not for the rest of the group.

- 6 -

13. The President then turned to Indonesia and stated that he was faced with the necessity of making a decision as to whether or not it was in the national interest to continue aid to Indonesia. This decision had to be made by him in accordance with the foreign aid bill just passed. He said he wanted in writing from Secretary Rusk, Secretary McNamara, and Mr. McCone their recommendations as to what his decision should be. He also wanted to get reactions from Senator Russell and several other Congressional leaders. He quoted a figure of \$25 million which was involved. (Action: The wheels are grinding in the Agency to come up with a pro and con and consequences paper for the Director upon which he may make his recommendation to the President. The figures are somewhat confused and the actual amount appears to be in the neighborhood of \$60 million. Mike Forrestal has these figures pretty well tied down and points out that the Presidential decision does not require any action on PL 480 funds.)

14. The President then stated that he was totally dissatisfied with the proposed program for alleviating poverty which apparently suggested that he ask Congressional authorization for a lump sum of money which he would administer through some sort of newly-created poverty administration. He said he wouldn't touch it with a ten-foot pole and that if he proposed anything like that on the Hill, they would laugh him out of court and it would probably bring a defeat in the Democratic party in the upcoming elections. He would give absolutely no consideration to anything which could possibly result in graft or pork barrel activities. Any program for the relief of poverty must be designed to get right down to the grass roots out where the poverty actually exists and must be handled by existing Federal, State, and community organizations which are geared in this direction. He mentioned specifically the possibility of utilizing the Bureau of Public Roads and other similar Federal and State organizations. He said that if roads are to be built, they should be built into and out of poverty-stricken areas and to provide access to schools and hospitals and such human needs activities and not, repeat not, for the improvement of major trunk lines and highways. He thought perhaps the people who were receiving this

- 7 -

type of aid could be utilized in the construction of these roads where they would see the results of what they were doing and the purpose of it. He stated that any attempt to organize a new administrative entity to handle this matter would not even get off the ground before the year was out and would merely result in more Government people on the payroll and more bureaucracy. He directed an immediate reappraisal of his program for the relief of poverty and coming up with an entirely different concept for his approval. Mr. Staats and Mr. Murphy indicated they would follow through on this.

15. The foregoing covers all pertinent points to the best of my recollection. I shall write a separate memorandum of the tour President Johnson gave us of his ranch and with particular attention to the fact that he built and paid for every improvement on the place out of his own pocket, including the runway, the runway lights, and the dam across the river.


MSC

Rain's

Out for
Pernales
Born
Cattle
No Secret
Mrs. Johnson

President:

M/R

Erhardt - much taken - smart - articulate - appeared more than Adenauer -
Pres says he's going to stay home + think of ways to get peace -
If this want to come back OK - but he not make trips just for trips -
He wants Peace do anything to get it but never at expense of our
own Security - told Erhardt not to play off de Gaulle against US -
Germany to say which way they go - put more into it as we had
to fight 2 World Wars because of Germany - this Pres. wasn't going
to be a party to any shilly-shallying like that - then Erhardt was OK -

Pres. wants round-up on world reaction to
Erhardt visit - said if didn't make money on that deal might as well
give up - we get criticized as to foreign policy - build up a story -
highly favorable reporting -

1 January 1964

Paragraphs for message to DCI

Mr. Enright handled sending of message on 2 Jan

25X

less than '64. There will be departmental reductions in Defense, State, AEC, Agriculture, with increases in HEW and Labor. With relation to Gross National Product, the '65 budget will be the smallest since 1951. This will be the first time in ten years that there has been a decrease in personnel, amounting to approximately 100. The smallest increase during this period was 7200 in 1957.

2. Major legislative proposals will be those that are left over from last session, such as Civil Rights Bill, tax cut, etc. New programs will include a procedure for attack on poverty, new program for aid to education below college level, new program for medicare, preparation for next year's foreign aid bill, etc. Major emphasis on human needs continues.

3. The President wishes to conduct an all-out review of our Cuban policy after returning to Washington. He particularly wants a more imaginative approach with hard-nosed emphasis on economic denials through pressures on third countries. This in line with his statements at recent Cuban meeting at White House.

4. President personally wrote New Year's message to Khrushchev, released today.

5. President faced with decision on whether or not to continue \$25 million aid program to Indonesia. As you know, this is primarily civic action. He wants a study of pros and cons with recommendations in writing from you, Secretary of State, and others. Also wants reaction from Senator Russell and others on Hill. Will take up when he returns.

6. Salinger will send me tomorrow the memoranda he wrote on conversations with the Russians as to President's intentions.

7. President established outstanding rapport with Erhard and things are looking up in that area.

8. President greatly concerned over continuing situation in South Vietnam.

9. President wants General Eisenhower, Mr. Truman, and Mr. Hoover briefed monthly on international and domestic affairs. Stated that had President Truman been getting these regularly, he probably would not have authorized publication of CIA article. In connection with Truman article, this matter not argued at Independence.

10. President much interested in foreign reaction to Erhard talks. We furnished roundup news media reaction to Salinger today.

1 January 1964

MEMORANDUM FOR THE RECORD

**SUBJECT: Conversation with ex-President Truman at
Independence, Missouri**

1. On Monday, 30 December 1963, Mr. Mike Forrestal, White House aide to the National Security Council, telephoned and stated that the President had asked him to get me, Mr. Charlie Murphy, the Under Secretary of Agriculture, and Mr. Elmer Staats, the Deputy Director of the Bureau of the Budget, to leave the following day, Tuesday, 31 December, to brief President Truman in Independence, Missouri, and then to proceed to the Ranch to brief President Johnson. After clearance with Mr. McCone by telephone (and designation of Mr. Helms as Acting Director in Mr. Kirkpatrick's absence), I arranged for all the necessary briefing materials.

2. We departed Andrews at 0735 in a Jet Star, arriving at Kansas City at 0915, local. We drove to Independence in a car furnished by Mr. Truman and met with him at about 10:00 a.m., in his private office at the Truman Memorial Library. Mr. Murphy introduced the group to President Truman and stated that President Johnson had directed us to report to President Truman, to give him a world roundup on the international situation by me, to give him a briefing on the President's economy moves and the budget for '64 and '65 as he now sees it by Mr. Staats, and to bring him up to date on the legislative program of the President for the calendar year '64.

3. Mr. Truman expressed his apologies for the large number of press cameramen and TV cameras at the library and wanted to make sure that we understood that he had not leaked the fact of our trip. Mr. Murphy explained that this had been an intentional White House release by White House spokesmen.

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Mr. Truman then regretted that he had been unable to come to the airport to meet us but felt sure we would understand. Prior to any briefing or discussion, Mr. Truman stated his clear intent to help President Johnson in any way possible throughout his tenure of office and throughout the campaign period without in any way involving a desire on Mr. Truman's part to get in the newspapers or to get any personal headlines. He stated that he was acting as a personal supporter of Mr. Johnson and that he would always be a staunch Democrat and he wanted us to take this message back to President Johnson.

4. We then retired to the President's conference room where Mr. Murphy stated again that I was the Deputy Director of Central Intelligence and would give the world roundup. Mr. Truman immediately interjected the fact that he knew a lot about CIA because he had been responsible for setting it up -- in fact he had recently written an article taking credit for this because he felt it was one of the important things he had done in his administration in establishing an agency which could pull together all intelligence activities and give the President a totally unbiased, totally objective analysis of the situation. He did not at any time mention the latter part of his article nor did he give any indication that the article had given him or anyone else any concern. I had previously talked with Mr. Murphy and Mr. Forrestal about the problem that President Truman's article had given us in the Agency. They both felt that it would be futile for me to mention this to the President, particularly in the absence of a proposed new course of action for Mr. Truman to take and approved at a much higher level in the administration. They suggested that if action was indicated, it should come from President Johnson or possibly Clark Clifford or Sidney Souers. The atmosphere of the meeting with Mr. Truman was such that I determined it would be inappropriate to raise the matter in this group and under these circumstances and would probably have a deleterious effect on the primary purpose of the mission which was subsequently accomplished in accordance with President Johnson's directives. (Action: We should determine what, if any, follow-up should be

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taken with Mr. Truman -- I do not think President Johnson would involve himself, but the suggestion that we use Admiral Souers has merit. He was Executive Secretary of NSC at the time CIA was directed to assume responsibility for covert actions and the record clearly shows that this NSC action was approved by President Truman. It is most unlikely that Mr. Truman would withdraw his statement or alter it but he might well agree not to say anything further on the Agency. In this connection, I received no indication at all that Mr. Truman is hostile to the Agency or is cranking up any further articles about it.)

5. I then proceeded to give Mr. Truman the total briefing as contained in the 30 December 1963 TS #186359/63 briefing notes. President Truman's comments on each were as follows:

a. Soviet offensive forces -- he expressed great concern at the magnitude of the Soviet capabilities and stated his distress that we had ever allowed them to build up to this strength.

b. ABM and SAM capabilities -- he asked if we had anything comparable to the Soviet SAM air defense capabilities. I said in the missile field our defenses were insignificant compared to the Soviets. I also said that in the offensive field our capabilities were from three to five times greater than the Soviets, depending upon the type of strategic forces we were considering. He recalled that it was on his orders that guns were placed around our major cities at the outbreak of the Korean War and that the Nike/Ajax surface-to-air missile system was pushed forward rapidly with deployment commencing in the latter part of 1952.

c. As to the Soviet economy, he was particularly interested in this since it was information that he had not previously received from any source and apparently had no concept that they were in trouble.

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d. As to Communist China, he expressed the same views as he did on Soviet economy and had not realized the magnitude of their problem. He did point out that had it not been for his troubles with the Congress in 1945 through 1949, and had there been any way of stemming the Mom-ism of "bringing the boys home," the world situation, particularly as regards China, might have been entirely different. At this point he discussed General Marshall as the greatest soldier-statesman of this century. It was apparent that his devotion to General Marshall was very real and lasting.

e. As to Cuba, he stated that we were in a terrible predicament and that we never should have allowed Castro to establish the power that he has. He offered no solution as to a course of action.

f. As to Cyprus, he was much interested in the background of the situation and I gave him more than was included in the notes, somewhat along the lines of the previously presented material which I had pretty well in my head. He said anyone who expects the Turks and the Greeks to live together happily had better take a new reading on the situation, and he very much enjoyed the statement, "Relations between Athens and Ankara are cool but correct."

g. As to the Middle East, he made almost the same comment as regards the Israelis and Arabs living together but also stated that, after all, Israelis are part Arab and they should be able to get together.

h. He was intrigued with the fact that there is a missile race going on between Egypt and Israel and particularly with the fact that the French were helping the Israelis.

i. As to South Vietnam, his concern was primarily directed toward the fact that American lives were being lost.

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6. Mr. Truman stated that this was the first time he had been adequately briefed since he left office in 1952 and that it was one of the most helpful half hours he had had in his recent remembrance. He was particularly appreciative of the President having arranged it for him and hoped that he could have more of them, particularly if it would help him help the President.

7. At this point I asked Mr. Forrestal if he chose to expand on the problem in South Vietnam and to mention Indonesia since he was personally closely associated with both areas. Mr. Forrestal gave a very short statement on the problems in both areas well known to all of us, and Mr. Truman made no comment.

Marshall S. Carter
Lieutenant General, USA
Acting Director

AS TO LEGISLATIVE PROPOSALS:

1. Mr. Murphy then undertook to brief Mr. Truman on President Johnson's legislative proposals for the upcoming session of Congress. He stated that the major items were of course things that had been left over from the last session, mentioning the Civil Rights Bill, the tax cut, etc. He said the President would have some new programs which included one for the attack on poverty, one for a new program for aid to education at lower levels, a new program for medicare, a complete review and probably recasting of the foreign aid bill for the next year, continuation of the Food-for-Peace program, etc.

2. Mr. Truman said that he had been a farmer all his life and that the farmers needed help -- they borrowed money every year only to lose it the next. Mr. Murphy pointed out that three quarters of the people who live in rural areas are not farmers -- that in 1931 there were 30 million people actually on farms as farmers whereas now there were only 7 million working on farms, yet their productivity had tremendously increased. He noted that Congress had passed an aid to education bill for the college level. Mr. Truman said any Federal or State program for education at lower levels should require that the control of schools remain at the local level and that neither the State nor the Federal Government should be placed in the position of controlling schools. Mr. Truman stated he was all for any program for overcoming poverty or food for peace. Mr. Murphy said there is still a great need for wheat and cotton commodity credit legislation and that the great problem facing the U. S. as to farm production was the tremendous increase in yield per acre.

3. Mr. Truman then reminisced about the Marshall Plan, stating that he had originally proposed it in a speech to have been made by him in the South in early 1948 but he had had to cancel and Dean Acheson made the speech instead. He then stated that General Marshall had come to him in May and said he would like to make the same type of approach at his Harvard speech and Mr. Truman approved it. Mr. Truman again stated that he would do anything he could to help the President in the present world and domestic situation, now, next summer, and next fall. He will go

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anywhere, make any speeches, and do anything that President Johnson might want him to do and that he knew President Johnson would know those areas in which Mr. Truman would do more harm than good.

4. Mr. Truman then escorted us on a trip through the Truman library/museum which he considers a monument to all the Presidents rather than a Truman museum. He is attempting to develop the theme of the Presidency throughout the years, how it was operated by various Presidents, what the responsibilities of any President are, etc., etc. He seems to be making real progress in this area.

5. We departed Independence at about 12:15 p.m., and were airborne about 1:15 p.m., headed for the Ranch.

6. My overall assessment of the situation was that Mr. Truman was highly gratified at President Johnson's interest and that he genuinely desires to do anything he can to assist President Johnson in his tasks as President as well as in the elections next fall. I had the distinct impression that Mr. Truman was living 90% on memories and that his views and comments were in large part based on what he would have said or did say back in the late '40's and early '50's when he was President. His views on Civil Rights legislation were stereotyped, deep south, and in the main unprintable. I felt that he exhibited numerous signs of senility and that the administration should be most cautious in their use of him either in international affairs or domestic political affairs. This does not in any way imply a lack of noticeable vigor on his part or any hesitancy to express himself vociferously and typically "HST" at any time.

AS TO BUDGET MATTERS:

1. Mr. Staats, after lauding Mr. Truman on his own knowledge of his budgets during his administration and his well-handled press conferences thereon, then proceeded to brief Mr. Truman on the '64-'65 budget. His facts were in accord with the memorandum signed by me for the Director as prepared by John Clarke and dated 28 December 1963. I had previously shown this memorandum to Mr. Staats who complimented it highly and asked me to give him a copy. (This was subsequently done.) Among other facts, Mr. Staats stated that the presentation to Congress last January asked for expenditures of \$98.8 billion against returns of \$86.9 billion for an \$11.9 billion deficit. They had assumed a Gross National Product of \$578 billion whereas in actuality it amounted to \$584 billion. Receipts were actually up \$1 billion while expenditures were down so that the deficit is actually a little under \$10 billion.

2. For FY '65 Mr. Staats pointed out certain built-in costs which were unavoidable amounted to \$1.7 billion and included \$1/4 billion for interest on the debt, \$400 million for pay increases, \$500-600 million for space increases, etc. He stated that '65 requirements as submitted by the various agencies total \$122 billion which included the built-in costs. The Bureau of the Budget had cut this to \$103 billion. He anticipated that the appropriation request for '65 would be less than that for '64 and that the expenditures would also be less than in '64. He stated that as regards personnel, the smallest increase in the past ten years had been in 1957 when Eisenhower authorized 7200 whereas President Johnson's request for 1965 was actually a decrease of 100. At this point Mr. Truman urged that any decreases be acquired by attrition which is easily done rather than by firing which always creates problems.

3. Staats indicated that all of our budget and economy measures are based on the assumption that the national economy will grow and that this is the thinking surrounding the proposed tax cut, in the belief that a tax cut would stimulate a greater growth in the economy. Mr. Truman said he was against a tax cut, he failed to see how you could cut taxes when you were in a deficit spending period, and that there was just no use starting the argument

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with him, he would not address himself to this matter because he did not want to hurt the President -- all he wanted to do was to help the President so he would just keep quiet. Staats pointed out that balancing off these budget figures during the past three years, Mr. McNamara had reported a 100% increase in strategic nuclear weapons, a 400% increase in Polaris capability, a 60% increase in tactical nuclear weapons in Western Europe, a 45% increase in combat divisions, a 35% increase in tactical air, a 75% increase in strategic air mobility (MATS, etc.), and a 100% increase in ship construction and ship conversion. As far as DOD is concerned, they expect the '65 expenditures to level off at \$51 billion and to conform to the appropriation request. This constituted a reduction over '64 of approximately \$900 million, with appropriations down about \$200 million. Mr. Truman interjected that we should never let the Soviets think they have or can get the upper hand militarily; if we have an overkill, we should keep it because the Soviets are SOB's and you cannot trust them.

4. Staats reported that during the past several years unification of the armed services had moved ahead rapidly and McNamara was making great strides. Mr. Truman then reminisced as to why he wanted a Secretary of Defense with the three services totally responsive to that man but that in his memory this had not worked out and the services had been fighting with each other and with the Secretary of Defense ever since. Mr. Truman was glad to note the improvement reported and stated that there was no substitute for unity of command with subordinates having a leader and responsive only to that commander. He then reminisced about his troubles with MacArthur and his high regard for Admiral Nimitz, tales which do not need repeating here.

5. Mr. Staats pointed out that the Department of Agriculture was dropping from about \$7 billion to \$5.3 billion, that Commerce was increasing somewhat because of commodity credit corporation requirements and some Bureau of Standards improvements, that Space was up about \$1/2 billion, that AEC would be down below '64 levels, that the Corps of Engineers would be at an all-time high of approximately \$1 billion, 142 million. Mr. Truman stated that

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Robert E. Lee was the greatest engineer ever developed by the Army and that General Pick was next. Mr. Staats pointed out that HEW and Labor would both get substantial increases. Mr. Truman approved of this and stated that he had been opposed to any increase in interest rates, that this increase meant that the borrowers had to pay the difference and that the bankers got all the profit. He thought President Johnson would agree with him. He then stated that in the '60 elections his candidate was Stu Symington but as soon as it was apparent that Kennedy and Johnson were the nominees, he was for them and a Democrat all the way.

6. Mr. Staats stated that for the President's attack on poverty they were asking an appropriation of approximately \$450 million but which, through other savings, would amount to an expenditure of at least \$1 billion. Staats said that with relation to the Gross National Product, percentage-wise the FY '65 budget request would be the smallest since 1951. Mr. Truman said all he wanted to do was to help and in order to help he needed current information of what the President's plans and programs were. Therefore, he requested copies of the President's budget message and of his State of the Union message as soon as he could get them. Mr. Staats agreed to see that Mr. Truman got them as soon as they were made public.

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64-15

The following is a copy of General Carter's handwritten note to Mr. Pierre Salinger dated 1 January 1964, which transmitted four copies of OCI No. 2489/64 dated 1 January 1964, Subject: Foreign Editorial Reaction to the Johnson-Erhard Talks:

1 Jan. 1964

Dear Pierre -

Here is an initial memorandum in response to President Johnson's request at the Ranch yesterday afternoon. It is based on FBIS reports plus some State/USIS cables. It will probably be the middle of next week before we start accumulating ambassadorial and governmental reactions from more sensitive sources.

We have included considerable Communist bloc coverage (unfavorable natch') because it is a clear indicator of their concern, as noted in the paragraph starting at the bottom of page 2., and therefore highly favorable from our viewpoint.

Faithfully yours,

/s/ Pat

P. S. Happy New Year -

Distribution:

Original - Addressee

✓ 1 - DDCI w/att

1 - ER w/o att

Delivered to the White House Garage, 1200 22nd Street, by a Watch Officer who departed Langley at 1:25. Mr. Salinger's driver was to wait for the Watch Officer & deliver the envelope to Mr. Salinger at his home. Advised by Hugh Vickery (S100) at 1:50 that envelope was delivered.

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OCI No. 2489/64

CENTRAL INTELLIGENCE AGENCY
Office of Current Intelligence
1 January 1964

CURRENT INTELLIGENCE MEMORANDUM

SUBJECT: Foreign Editorial Reaction to the
Johnson-Erhard Talks

Summary

Foreign reaction available to date has been confined almost entirely to Communist bloc and West German press and radio comment, largely taking predictable positions.

West German and West Berlin information media generally are highly gratified with indications that the President and Chancellor Erhard have established a close and cordial working relationship, describing it as a foundation for continuing US-German cooperation. Some commentators feel that Erhard has already displayed a less rigid attitude than Adenauer's on the question of East-West talks, while others are waiting to see what position he takes on the question of arrangements between West Berlin and East Germany for extending the "Christmas visits" to East Berlin.

The Communist line ranges from suspicious reserve to open criticism, charging that there is no specific evidence in the communique of any intent to back up the "noble aims" regarding relaxation of international tension with any concrete measures.

Free World Reaction

Free world comment on the Texas talks has thus far been limited almost entirely to Western Europe, with the bulk of it concentrated in the West German press.

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While the German editors note that the communique is "meager" on specific detail in regard to relaxation of East-West tensions, they consider this of secondary importance to their finding that Erhard and President Johnson established a cordial relationship as a foundation for close US-German cooperation in the future. The West German and West Berlin press is virtually unanimous in calling the talks a success from the German viewpoint. The pro-Socialist Neue Rhein-Ruhr Zeitung commented that "The United States considers the Federal Republic its strongest and most important continental ally."

West Berlin's Tagesspiegel reported that Erhard's mission was facilitated by a "more rugged new style in American politics," explaining that when the President talks with foreign statesmen, he is not seeking an intellectual discussion but "an open and honest talk based on solid principles."

The Berlin Morgenpost said the meeting showed that Erhard views a policy of detente with greater honesty and fewer reservations than did Adenauer.

Similarly the independent Italian Corriere della Sera said the communique marked the "definite abandonment of the intransigent policy of Adenauer, and weakening of ties with France."

The right-wing Italian Il Tempo reports that Erhard obtained a "go-ahead" for negotiations with East Germany, but that the news is being kept secret by the Bonn government. Left-wing Italian newspapers claim Erhard called his homecoming press conference in irritation over West Berlin's negotiations with the East Germans. The more conservative papers speculate that Bonn's protest to France over the kidnaping and trial of Secret Army Colonel Argoud is the first reflection of a decision to taper off the Franco-German relationship worked out by Adenauer and De Gaulle. One paper notes that Erhard telephoned the order for the protest from Texas.

Communist Reaction

Communist propaganda media have devoted considerably more attention than the free world press generally to the Texas communique and Erhard's Bonn

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press conference. Lengthy comments from Moscow, East Germany, and Peiping in themselves provide a strong indication that the Communists are disturbed at the communique's evidence of a close relationship and meeting of minds between President Johnson and Chancellor Erhard.

Moscow set the tone for Communist reaction with a 30 December TASS dispatch datelined Austin, Texas, which quoted the communique's references to relaxation of tensions but complained that the phrasing lacked substance. "The communique says nothing about specific measures to bolster these declarations," correspondent Vashenchenko wrote, "and repeats such hackneyed propositions as the need to ensure the freedom of West Berlin, the need for 'a constructive response from the Soviet Union,' and so on."

The Bonn correspondent of the Soviet news agency, taking the same line, said Erhard's Bonn press conference on his return showed that "the fashionable expressions in Bonn serve only to conceal the same old bankrupt policy." The dispatch said Erhard attempted to evade the issue of East-West relations, and, when pinned down by correspondents, would only say that a list of possible measures for the relaxation of tensions was not discussed in Texas, and that no dates were fixed for possible resumption of East-West talks.

Another TASS dispatch said the evasive replies of Erhard's press spokesman in Texas on the detente issue showed that West Germany will continue to block attempts by other Western powers to find new areas of agreement with the East.

The East Berlin press said the Texas talks and Erhard's Bonn press conference demonstrated that Bonn and Washington remain at odds over a detente policy. Neues Deutschland took the line that the areas of specific agreement in the communique were in fact those which would hinder an East-West rapprochement: MLF, retention of US troops in West Germany, West German arms purchases in the US, and strengthening of NATO. Quoting unspecified "observers," Neues Deutschland reported that Erhard, opposing East-West talks, had tried to exert economic pressure on President Johnson, but had been rebuffed with "Texan toughness."

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The Czech news agency summed up the communique as President Johnson's agreement in principle "with Bonn's plans to swallow up" East Germany.

Peiping's NCNA news service carried unusually detailed excerpts from the communique, but went on to provide its own translation for most of the quotations. "Peaceful reunification of the German people in freedom, by self-determination," for instance, according to NCNA "means that the two countries would continue to pursue the aim of annexing the German Democratic Republic by West Germany through subversive means."

NCNA said the Texas talks amounted to an unsuccessful US attempt to "drive a wedge into the French-West German axis."

Both NCNA and TASS warned that the seemingly innocent announcement that the US Peace Corps would cooperate with its West German counterpart masked an intent for "infiltration into underdeveloped countries."

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